



May 18, 2006

TO: Commission Members

FROM: Kristy McGuill, Grant Specialist

RE: Grants Policy Advisory Committee Recommendations

Staff Recommendation

All staff received the same opportunity to review and make comments to the recommendations put forth from the Grants Policy Advisory Committee. After this comment/review period, it was decided that staff support the recommendations set forth by the Grants Policy Advisory Committee.

Commission Action

In an effort to simplify the attached document, below is a listing of all recommendations. Please use them as a reference in making your motion:

- ☐ A) The minimum match requirement be raised to 25% - Effective Date: 7/1/07

- ☐ B) Commission increase cost share percentage maximum on upland practices from 50% to 75% - Effective Date: 7/1/07

- ☐ C) Commission allow districts to apply the 25% required match to the entire cost share agreement as a whole vs. 25% of each practice on the agreement – Effective Date: 6/1/06

- ☐ D) The grant programmatic activity reports better reflect what districts do by continuing to include the data (number) items 1-12 on the form and add a succinct narrative as a requirement – Effective Date: 7/1/06

- ☐ E) The grant staff evaluate the cost share partial payment request form procedures and try to streamline – Effective Date: 7/1/06

- ☐ F) Commission write grant contracts with life cycles longer than June 30th of the biennial year – Effective Date: 7/1/07

- ☐ G) Commission have a reward system for districts that voucher and report in a timely manner – Effective Date: 7/1/07

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- ☐ H) CD's submit ready-to-use scopes of work for grant contracts as part of their application (WSCC will stop writing the scopes of work for district applications). The Committee is also recommending that the Commission provide training at the WADE conference on the same – Effective Date: 7/1/07

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- ☐ I) Districts provide a verification of project(s) completion by having the signing block on the close out forms to include language for verification of project(s) completion – Effective Date: 7/1/07

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- ☐ J) Commission check existing policy for allowing the option to try experimental demonstration practices and projects beyond what we have been doing (e.g. other BMP's that will work, mushroom filters, other technology even beyond NRCS) to examine the impact on water quality and add this option to the grant application form – Effective Date: 7/1/07

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- ☐ K) Change the grant distribution system for districts that combine so that they do not loose their current level of funding – Effective Date: 7/1/07

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- ☐ L) With WACD, pursue a means of funding the water quality account beyond the current sources (like the tobacco tax, sales tax recovery, etc.) – Effective Date: 7/1/06

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- ☐ M) With WACD, establish a WACD committee for WQ / Implementation with membership from the Washington State Department of Ecology on the committee or expand the role and membership of the current Water Quality Implementation Grants Policy Advisory Committee to assist with development of the budget package – Effective Date: 7/1/06
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To: Conservation Commission
From: Grants Policy Advisory Committee
Date: May 18, 2006
Subject: Grants Policy Advisory Committee Recommendations – Water Quality Implementation Grant Program

Background

The Water Quality Implementation Grants program originated February 15, 1986 with an award of just over \$2,000,000.00 (a small portion went to other legislature mandated programs). Since then it has grown into quite a substantial grants program with approximately \$3.5 million appropriated by the legislature just this last biennium.

For years, these grants were distributed evenly between all conservation districts (With the exception of those mandated program funds). Over the last couple of biennia, the Commission has been audited by the Joint Legislative Review Committee or JLARC. In their reports, there is a push towards to move these grants from a standard distribution towards strategically investing state dollars to achieve cost-effective, long-term environmental benefits. Because of this direction, the commission setup an ad-hoc committee called the Grants Policy Advisory Committee (GPAC) that was populated by district supervisors and staff that recommended changes to the program to meet the direction of JLARC.

On February 10th, 2006, the Grants Policy Advisory Committee reconvened in Ellensburg to review the current Water Quality Implementation Grants Program and make recommendations for improvement that will create a program that meets the expectations of JLARC and the Governor.

Recommendation that the minimum match requirement be raised to 25%

Currently the Water Quality Implementation grant funds have a requirement that the district must submit documentation of match at a minimum of 10%. The committee is requesting to raise this requirement to 25% match in order to stay consistent with other granting agencies across the state.

The committee also requested as a part of this recommendation that the Commission staff provide a clearer definition on match and to conduct a training session on the match requirement.

Recommendation that the Commission increase cost share percentage maximum on upland practices from 50% to 75%

The Commission currently has the following cost sharing rates available for reimbursement to conservation districts in their Water Quality Implementation Grants:

Location of Practice	Cost Share from WSCC Grants	Cost Share from Other Sources	Landowner Contribution
Upland	50%	25%	25%

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Grants Policy Advisory Committee
Action Item for 05/18/06 Commission Meeting

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Upland	50%	25%	25%
Riparian	75%	25%	0%
In-Stream	75%	25%	0%

The Committee would like to increase the upland practice percentage from 50% to 75% so that all practices would be cost share-able at 75%.

Recommendation that the Commission allow districts to apply the 25% required match to the entire cost share agreement as a whole vs. 25% of each practice on the agreement

Currently, when the districts receive cost share, they have to apply the landowner contribution percentage to each practice vs. the entire cost share agreement. This especially comes into play if they utilize a partial payment form. They can only ask for a percentage of the entire cost of the practice vs. the entire practice cost for this installed practice and 20% of the cost for another.

Recommendation that the grant programmatic activity reports need to better reflect what the districts do by continuing to include the data (number) items 1-12 on the form and add a succinct narrative as a requirement

Recommendation that the Commission grant staff evaluate the cost share partial payment request form procedures and try to streamline

The current cost share partial payment form requires a signature from the landowner, district personnel or NRCS who inspected the completed practice and a district authorized signer. The Committee would like one signature from the district personnel on the form since the landowner and authorized district signer have already signed the original agreement agreeing to the contract.

Recommendation that the Commission write grant contracts with life cycles longer than June 30th of the biennial year

Currently, the district grants are two year grants that start July 1st, the first day of the new biennium and end June 30th, the last day of the biennium. The Committee would like to see that life cycle pushed out past the June 30th date.

Recommendation that the Commission have a reward system for districts that voucher and report in a timely manner

Grants Policy Advisory Committee

Action Item for 05/18/06 Commission Meeting

The Commission staff have been sending out reminders about vouchers and reports, however, districts are still not meeting the deadlines for the vouchers and reports. The Committee wanted to recommend a way to reward districts who are getting the vouchers and reports in on time, however, did not have a suggestion on what that system would look like.

The Committee's second part of this recommendation would be to request input from districts about how to address a rewards system for vouchering and reporting on time.

Recommendation that the CD's submit ready-to-use scopes of work for grant contracts as part of their application (WSCC will stop writing the scopes of work for district applications). The Committee is also recommending that the Commission provide training at the WADE conference on the same.

Currently, the WSCC received the applications for the Implementation Grants, they are delivered to the rating committees, then the WSCC grant staff is rewriting the scopes of work to fit the correct format, provide assistance as directed by the rating committee's, and ask for additional information where necessary.

The Committee's recommendation would propose to provide training at the WADE conference and then once the applications are due in, they will either be accepted or not if they are not in the correct format.

Recommendation that the districts provide a verification of project(s) completion by having the signing block on the close out forms to include language for verification of project(s) completion.

Recommendation that the Commission check existing policy for allowing the option to try experimental demonstration practices and projects beyond what we have been doing (e.g. other BMP's that will work, mushroom filters, other technology even beyond NRCS) to examine the impact on water quality and add this option to the grant application form.

Recommendation to change the grant distribution system for districts that combine so that they do not lose their current level of funding.

The Committee recommends a tiered system of weaning the combined districts off of the full funding for two districts. For example, if there were two districts that combined into one, that newly formed district would receive the funding for two districts for four years, they ratchet that amount down over the next two years.

Recommendation that with WACD, pursue a means of funding the water quality account beyond the current sources (like the tobacco tax, sales tax recovery, etc.)

Recommendation that with WACD, establish a WACD committee for WQ / Implementation with membership from the Washington State Department of Ecology on the committee or expand the role and membership of the current Water Quality Implementation Grants Policy Committee to assist with development of the budget package.

District Responsiveness Study for the WQ Implementation Grant Program Grants
Policy Advisory Committee Recommendations

7 Districts Responded

Recommendation that the minimum match requirement be raised to 25%

- o Our district could live with all of the recommendations except the first one. Raising the match to 25%. Back in time, the Centennial Clean Water grants, once named that and then called the Allocation Grants, were at 25% in-kind match. We changed that back several years ago with the help of Cheryl Witt. And there was a specific reason. Several of us small districts had trouble meeting the 25% and sometimes couldn't get all of the grant \$ originally eligible for.

Some years we met 25% and some years we struggle getting even 10% match. Several district here in E. WA. are highly dependant upon NRCS for a good part of the match, and NRCS often changes their available time throughout the year due to their budget and workload. I'm afraid if the match is raised to 25%, the smaller districts will suffer and the larger districts will get more of the Clean water funds transferred to them.

- o Good topic for WADE training.
- o Please forward to the Commission for consideration. My only comment is on the recommendation to raise the match requirement to 25%. This is a very significant change to the program that has the potential to negatively impact smaller Districts. I am formally requesting that a "hardship clause" be available for those who are unable to meet the 25%. Most of us should be able to meet the new level, but as NRCS limits their "official" commitments to Districts, some are left with few matching options.

In addition, I want to make it perfectly clear that my decision to support this change was based solely on the prospect that this will better position the Commission to ask the Legislature to significantly increase the amount of Implementation Grant funding. JLARC is satisfied with the changes we've already made to date, yet we continue to talk about the need to "ratchet things down". The only reason we should be changing anything is to increase the chances of receiving more funding. If this doesn't happen within the next two biennium, I will be spearheading a movement to return the match requirement back to 10%. Thank you.

- ∂ No - we would like to see it remain at 10%. Match is perhaps the biggest pain in the butt we have to deal with regarding funding and this would make it worse. Keeping it at 10% is especially helpful to smaller districts.

All the rest of the recommendation sound good.

- ∂ No. Does JLARC have it as a requirement? Why do we need to stay consistent with other granting agencies when our grants are all in-house (per say)? I know that the smaller districts will have trouble meeting the new requirement; our district may have a problem with our limited resources for match and NRCS' budget getting tighter purse strings, including allowing assistance from staff members. (most of our match is NRCS oriented)

If there is a need to raise the match, I would suggest baby steps . . . possibly 15% for a few years so those having problems can make adjustments and learn new ways of 'matching'.

- ∂ Agree

Recommendation that the Commission increase cost share percentage maximum on upland practices from 50% to 75%

- ∂ Didn't this change for livestock grant? So, more match is needed for same practice depending upon which source of funding? I think there is a good argument for uniform procedures regardless of grant source. (Less for all of us to keep track up)
- ∂ Yea! Do we get more money too?
- ∂ Definitely Agree

Recommendation that the Commission allow districts to apply the 25% required match to the entire cost share agreement as a whole vs. 25% of each practice on the agreement

- ∂ Yea . . .
- ∂ This would work better.

Recommendation that the grant programmatic activity reports need to better reflect what the districts do by continuing to include the data (number) items 1-12 on the form and add a succinct narrative as a requirement

∂ If we have too. But I remember when we use to provide narrative reports and it was too difficult to extract information to quantify for the WSCC report because the districts activities were so diverse; that's why we went to the current format.

∂ Fine

Recommendation that the Commission grant staff look at cost share partial payment request form procedures to streamline them

∂ Ok.

∂ I think the landowner should also sign. I would not want planners to carry the burden of signing the agreement without the landowner signing off and understanding what partial payment on a BMP amounts to, requires in detail.

Recommendation that the Commission write grant contracts with life cycles longer than June 30th of the biennial year

∂ If feasible . . .

∂ No comment toward this unless they have a good reason (not stated here)

Recommendation that the Commission have a reward system for districts that voucher and report in a timely manner

∂ Strongly disagree to rewarding folks for doing what they have contracted to do. On the other hand, would have significant progressive penalties for those who have breached their contract with the Commission.

∂ It's about time! Ideas: those receiving the award are eligible to apply for the capacity building grant, or additional cost-share, or a higher percentage of basic funding dollars.

∂ I can't imagine what reward would be allowed. I'd like a vacation to Paris, but maybe just knowing I got my work done on time was enough. I don't think I expect a reward.

Recommendation that the CD's submit ready-to-use scopes of work for grant contracts as part of their application (WSCC will stop writing the scopes of work for district applications). The Committee is also Recommending that the Commission provide training at the WADE conference on the same.

∂ Surprised to see that this was not happening uniformly.

∂ I already do, didn't everyone?

- ∂ As long as those who don't get to WADE get equal written instruction and a format to follow this would be a time saver for all. If good examples are not given, then this is a confusing idea.

Recommendation that the districts provide a verification of project(s) completion by having the signing block on the close out forms to include language for verification of project(s) completion.

- ∂ This would be captured in the reporting system, wouldn't it? And what would happen if they weren't done? Any repercussions or an extension to get it done?
- ∂ Sure

Recommendation that the Commission check existing policy for allowing the option to try experimental demonstration practices and projects beyond what we have been doing (e.g. other BMP's that will work, mushroom filters, other technology even beyond NRCS) to examine the impact on water quality and add this option to the grant application form.

- ∂ To argue for more money in the program we must deliver results. That is unlikely to happen if are experimenting instead of applying known solutions (NRCS BMPs). If want to research, get funding from another source or do it on own nickel.
- ∂ Yea! It's about time.
- ∂ I bet we'd think of something here

Recommendation to change the grant distribution system for districts that combine so that they do not loose their current level of funding.

- ∂ Wrong. A district is a district. No special treatment. They should have considered at the outset before combining. It is the cost of doing business. The only way to describe this recommendation if adopted is discriminatory favoritism.
- ∂ I understand what is meant, but wouldn't the research and budget of been reviewed prior to combining. Maybe instead of receiving 4 years this year, receive 3 and then 2? But only if they could withstand that type of cutback on finances.
- ∂ Ok

Recommendation that with WACD, pursue a means of funding the water quality account beyond the current sources (like the tobacco tax, sales tax recovery, etc.)

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General Comments not tied to a specific recommendation

∂ Looks fine to me

<u>District Comments that were received after the initial comment period</u>

Recommendation that the minimum match requirement be raised to 25%

- ∂ Since the original meeting in Ellensburg, I've received feedback from several of our neighbors who have demonstrated how a 25% match requirement would be detrimental to their program. I apologize for waffling on the issue, but I am officially withdrawing my support for the increase to 25% match. I recommend leaving the match requirement at 10%. Please forward my comments to the Commission when the topic comes up at the May meeting. Thanks!
- ∂ I'm not sure what happened, but I guess I missed the comment period (one week!) on this. My biggest concern with these recommendations is the proposal to increase the match requirement to 25%. We're already strapped for match. With our first two invoice vouchers on two new DOE grants we couldn't come up with enough match to get reimbursed what we were expecting. This is really going to hurt if we have to try to find additional match for our implementation grant.

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